



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Joanne Sturges, Executive Officer
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

#29

Affirmative Action Compliance Officer
Auditor-Controller

At its meeting held November 15, 1994, the Board took the following action:

47

The following item was called up for consideration:

Supervisor Burke's recommendation to consider request of the Affirmative Action Compliance Officer for approval to amend and rename the Minority and Women-Owned Business Enterprise (MWBE) Program.

On motion of Supervisor Burke, seconded by Supervisor Dana, unanimously carried (Supervisor Antonovich being absent), the Board adopted the Affirmative Action Compliance Officer's attached recommendations with the exception of that portion of Recommendation No. 1, which would rename the program the "Los Angeles County Disadvantaged Business Enterprise Program," be amended to rename the program the "Los Angeles County Community Business Enterprise Program."

31115-8.com

Attachment

Copies distributed:
Each Supervisor
Chief Administrative Officer
County Counsel



**COUNTY OF LOS ANGELES
OFFICE OF AFFIRMATIVE ACTION COMPLIANCE**

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 780
Los Angeles, California 90012
(213) 974-1080 / FAX (213) 626-7034

JOHN HILL
Affirmative Action Compliance Officer

MEMBERS OF THE BOARD

GLORIA MOLINA
YVONNE BRATHWAITE BURKE
EDMUND D. EDELMAN
DEANE DANA
MICHAEL D. ANTONOVICH

November 10, 1994

**EXECUTIVE SUMMARY
(3 VOTE)**

**APPROVAL TO AMEND AND RENAME THE LOS ANGELES COUNTY
MINORITY AND WOMEN-OWNED
BUSINESS ENTERPRISE (MWBE) PROGRAM**

Requested Action

Approval to amend the MWBE Program to establish participation goals and to rename it the Los Angeles County Disadvantaged Business Enterprise (LAC/DBE) Program.

Issues

Inclusion of Disadvantaged and Disabled Veteran-Owned Business Enterprises (D/DBVE) to make the County's MWBE Program consistent with the programs of federal and State agencies.

Expansion of the Program to include socially and economically disadvantaged small business concerns.

Establishment of a 25% overall participation goal for all County construction, commodities, and service contracting.

Fiscal Impact

Undetermined at this time.



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November 10, 1994

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL TO AMEND AND RENAME THE MINORITY AND WOMEN-OWNED
BUSINESS ENTERPRISE (MWBE) PROGRAM**

The Office of Affirmative Action Compliance (OAAC) is seeking your Board's approval to amend the Minority and Women-Owned Business Enterprise (MWBE) Program to establish participation goals and to rename the Program the Los Angeles County Disadvantaged Business Enterprise (LAC/DBE) Program.

Background

On July 30, 1991, your Board adopted the Los Angeles County Minority and Women-Owned Business (MWBE) Program. The key issues that were to be resolved with this Program were to (1) implement measures to ensure that minority and women-owned businesses enjoy full and equal access to all the County's procurement and contracting activities, and (2) if necessary, modify the procurement practices to provide MWBE firms the maximum opportunity to compete for County contracts and subcontracts.

Your Board also requested that the County's Program comply with State and federal regulations and be consistent with other local agencies' programs. For your information, the federal, State and most local agencies have included a Disadvantaged Business Enterprise (DBE) component; and the State of California has also included a program for Disabled Veterans Business Enterprises (DVBE). These two components should be included in the County's Program.

Honorable Board of Supervisors
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Expansion of the Program to include the DBE and DVBE components and placing the entire more inclusive Program under the DBE umbrella would be consistent with applicable law and would bring the County's Program in line with federal and State agencies.

Proposed Establishment of Participation Goals and Renaming Program to Los Angeles County Disadvantaged Business Enterprises (LAC/DBE) Program

In accordance with your Board's instructions, the Affirmative Action Compliance Officer coordinated the gathering of data on the County's utilization of MWBEs (and Disadvantaged Business Enterprises (DBEs) for 1992-93) in construction, commodities, and service contracting for fiscal years (FY) 1989-90 through 1991-92.

MWBE utilization for each year of FY 1989-92 averaged 20%. During FY 1992-93, the total utilization rate of minority, disadvantaged, and women-owned firms again reached 20%. The utilization rate of firms whose MW/DBE status was unknown totalled 27.8% as illustrated on the Attachment. The process used to identify a firm's MW/DBE status was not consistently applied and may account for the percentage of unknowns.

The establishment of a 25% overall participation goal for County construction, commodities and services contracting is recommended to further the County's ongoing efforts to promote equal opportunities for all contractors and reduce barriers to participation by small or disadvantaged firms or individuals, including minorities and women.

Currently, the City of Los Angeles' anticipated MWBE participation level is 23% and the Los Angeles County Metropolitan Transit Authority's DBE goal is 29%. In view of the County's MW/DBE utilization rate of 20% with 27.8% of unknowns and local agencies' participation rate averaging 26%, it is felt an overall DBE participation goal of 25% is reasonable.

The major elements of the Program will include the following:

- An initial 25% overall annual Program participation goal, determined by the total amount of dollars awarded, will be established County-wide and for departmental and other County contracting authorities. Particular goals will be established on an individual contract basis, based upon Program participant availability and capacity in each specific contracting area. A participation goal need not be established for any contract where there is insufficient data regarding participant availability in the particular contract area. If higher goals are required for projects subject to federal law and regulations, the higher goals shall apply.

The 25% participation goal is aspirational and will be reviewed on an annual basis in light of Program participant utilization compared with the availability and capacity of certified Program participants.

- Construction Contracts receiving federal monies shall follow any participation requirements specified by the applicable agency. For construction projects which are funded by the County, participation goals will be as established for each contract determined by participant availability and capacity.
- Participation goals for Service Contracts in excess of \$25,000 and for Commodities Contracts shall be established on a contract-by-contract basis. Such goals shall be mutually developed by the Department issuing the contract and OAAC, based on past participation and current availability of qualified firms.
- DBE's generally consist of socially and economically disadvantaged small business concerns that have faced barriers in contracting as a result of their status. Eligibility for participation as a DBE in the Program will be determined pursuant to requirements in Implementation Instructions to be developed by OAAC consistent with similar federal requirements, such as the Small Business Act.

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THEREFORE, IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the amended Minority and Women-Owned Business Program to establish participation goals and to rename the Program to Los Angeles County Disadvantaged Business Enterprise (LAC/DBE) Program.
2. Instruct the Affirmative Action Compliance Officer to develop amended Implementation Instructions.
3. Instruct the Affirmative Action Compliance Officer to report annually each department's status in contracting with certified Disadvantaged Business Enterprises and outreach efforts and, if necessary, make recommended changes to the participation goal.
4. Instruct the Affirmative Action Compliance Officer and the Auditor-Controller to develop a tracking and reporting system to identify disbursements to Program participants.

Respectfully Submitted,



JOHN HILL
Affirmative Action Compliance Officer

JH:evv
B:\LACDBE2.MOV
Attachment

c: Chief Administrative Officer
Auditor-Controller
County Counsel
Executive Office
Department Heads



UTILIZATION OF MINORITY, WOMEN & DISADVANTAGED BUSINESS ENTERPRISES

Fiscal Year
1992- 93

TYPE OF FIRMS	AMOUNT	PERCENTAGE
Minority	\$166,186,880	9.6%
Women	98,323,018	5.7%
Disadvantaged	89,773,276	5.2%
Total	<u>\$354,283,174</u>	<u>20.5%</u>
Unknowns	\$481,336,153	27.8%

Source: MWBE/DBE Utilization Report for Fiscal Year 1992-93.
11/94